

## INTERNAL CONTROL REVIEW:

Submitted for the November 5, 2015 Board Meeting

Sally Lyons & John Jones met on October 14, 2015 for a quarterly Internal Control Review. The review covered the items bellow. All observations by this board member and checks appeared to be adequate and appropriate. Our next review is scheduled for January 26, 2016.

This review included the following reviews items:

1. Review of Bank Statements & Reconciliations for the quarter ending September, 2015, making sure the accounts are reconciled and there were no unusual items.  
The Bank of the West Statement for July, August and September 2015 were inspected. The accounts were reconciled and there were no unusual items. Both the LAIF account and the Wells Fargo Investment Account were reviewed with no unusual items observed.
2. Review of the Investment Statements and transaction during the quarter.  
The Wells Fargo Investment account was reviewed for the months of July & August. The Investment Account had 6 CD's valued at \$1,502,678 on 8/31 and the money market account had a total of \$45,631.19. The LAIF account balance at the end of September was \$10,194,951.34 and the interest rate during the quarter has increased from 0.28% to 0.32%.
3. Review Journal Entries posted during the quarter looking for unusual entries or entries where items may be posted to unrelated accounts or entries that do not have sufficient explanation.  
There were four non-recurring journal entries in July, six in August and three in September. All Journal Entries were reviewed. All entries were normal. There were no unusual entries and no postings to unrelated accounts.
4. Reviewed the aging of accounts payables looking for older items, large items while reviewing the vendor lists.  
The aging of accounts payables were reviewed for the month of September. Total payables at months end were \$345,403.28 with \$1,398.39 aged representing 3 items. Nothing material or concerning.